

Resolution Relating to

**AUTHORIZATION FOR PUBLIC IMPROVEMENT BONDS
FOR FISCAL YEAR 2020**

RESOLUTION _____
Sponsor(s): Bd. of Finance
Introduced: _____
Referred to: _____
Action: _____
Date: _____
Signed by Mayor: _____

CITY OF BURLINGTON

In the year Two Thousand Nineteen

Resolved by the City Council of the City of Burlington, as follows:

1 That WHEREAS, Section 62(f) of the Burlington City Charter authorizes the City’s Chief Administrative
2 Officer, when authorized by the City Council, to borrow money on the credit of the City in an amount not to
3 exceed \$2,000,000 in any fiscal year to accommodate the working capital and capital improvement needs of
4 the City and to so pledge the credit of the City in such amount for such purposes; and

5 WHEREAS, Section 63 of the Burlington City Charter authorizes the City Council, upon prior
6 recommendation of the Board of Electric Commissioners, if it finds that is necessary, to pledge the credit of
7 the City in an amount not to exceed \$3,000,000 in any fiscal year for the purposes of providing capital
8 improvements, additions and replacements required for the efficient and economical operation of the electric
9 light department, to so pledge the credit of the City for such purposes; and

10 WHEREAS, on May 8, 2019 the Board of Electric Commissioners voted to recommend to the City
11 Council the pledging of the credit of the City in an amount not to exceed \$3,000,000 during the City’s 2020
12 fiscal year, for the purposes of providing capital improvements, additions and replacements to the electric light
13 department; and

14 WHEREAS, Section 62(f)(3) of the Burlington City Charter authorizes the City’s Chief Administrative
15 Officer, when authorized and directed by the Board of School Commissioners and the City Council, to borrow
16 money on the credit of the City in an amount not to exceed \$2,000,000 in any fiscal year to accommodate the
17 working capital and capital improvement, additions and replacements required for the efficient and
18 economical operation of the school department and to so pledge the credit of the City in such amount for such
19 purposes; and

20 WHEREAS, on January 14, 2019, as part of its adoption of its Fiscal Year 2020 Budget, the Board of
21 School Commissioners voted to approve and include the \$2,000,000 annual borrowing as part of its capital
22 plan; and

23 WHEREAS, the City is in the process of soliciting proposals from qualified underwriting firms and
24 financial institutions to sell the Bonds through an underwritten offering;

26 NOW, THEREFORE, BE IT RESOLVED that the City Council has determined that it is necessary to
27 pledge the credit of the City in an amount not to exceed \$7,000,000 in the aggregate for the City's fiscal year
28 ending June 30, 2020 and to issue bonds in connection therewith (the "Bonds"), consisting of: (1) \$2,000,000
29 of General Fund Public Improvement Bonds, (2) \$3,000,000 of Electric Department Public Improvement
30 Bonds, and (3) \$2,000,000 of School Department Public Improvement Bonds; and

31 BE IT FURTHER RESOLVED that the pledging of the City's credit for such Bonds is authorized, with
32 the amount of indebtedness and the form of the evidence of indebtedness to be issued, the interest rates, and
33 payment schedule to be further determined by the Chief Administrative Officer, or the Director of Financial
34 Operations; provided that the true interest cost for the Bonds as determined by the Chief Administrative
35 Officer, shall not exceed four and one-half percent (4.5%) per annum; and

36 BE IT FURTHER RESOLVED that in the event that the true interest cost of the Bonds would exceed
37 four and one-half percent (4.5%) per annum, the prior approval of the City's Board of Finance shall be
38 required; and

39 BE IT FURTHER RESOLVED that the Bonds, when issued and delivered, shall be valid and binding
40 general obligations of the City payable according to the terms and tenor thereof from unlimited *ad valorem*
41 taxes duly assessed on the grand list of all taxable property in the City; and

42 BE IT FURTHER RESOLVED that the Mayor, the Chief Administrative Officer, and the Director of
43 Financial Operations are, and each one of them is, authorized and directed to prepare an Official Statement of
44 the City as they deem necessary in the City's best interest. The Mayor, the Chief Administrative Officer, and
45 the Director of Financial Operations are, and each one of them is, authorized to execute and deliver a final
46 Official Statement and to execute and deliver a bond purchase agreement with one or more underwriters for
47 the Bonds, continuing disclosure certificates, certificates as to use of proceeds and all other documents and
48 instruments necessary or convenient in connection with the issuance and sale of the Bonds; and

49 BE IT FURTHER RESOLVED that it is the official intent of the City Council to reimburse some
50 capital expenditures made within the City's 2020 fiscal year with the proceeds of the Bonds, in accordance
51 with Sec. 1.150-2 of the Internal Revenue Service tax regulations promulgated under the Internal Revenue
52 Code of 1986, as amended. The Chief Administrative Officer and the Director of Financial Operations are,
53 and each one of them is, authorized to make further declarations of intent under Section 1.150-2 of the Internal
54 Revenue Service regulations when making capital expenditures expected to be reimbursed with the proceeds
55 of tax exempt bonds; and

56 BE IT FURTHER RESOLVED that, if in the opinion of the Chief Administrative Officer, it is
57 desirable and in the City's best interest to obtain bond insurance for the Bonds, the Mayor, the Chief
58 Administrative Officer, and the Director of Financial Operations are, and each one of them is, authorized, to
59 enter into such agreements and instruments with the bond insurer in order to obtain bond insurance for the
60 Bonds.

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63 lb/EBlackwood/Resolutions 2019/Treasurer - Authorization for Public Improvement Bonds for Fiscal Year 2020
64 6/13/19